## REMARKS

Claims 1-12 are pending in the present application.

The rejection of Claims 1 and 3 under 35 U.S.C. §102(b) over Scherer et al is obviated by amendment.

The claims as amended relate to a method of improving insulin resistance (Claim 1) and a method of treating type-2 diabetes (Claim 3) by administering an effective amount of a specifically defined composition. Applicants submit that Scherer et al fails to disclose administration of such a composition to achieve the claimed effect.

Therefore, withdrawal of this ground of rejection is requested.

The rejection of Claims 1 and 3 over Claims 1-13 of co-pending application No. 10/514,715 is obviated by amendment. U.S. 10/514,715 claims a drug and method for preventing or treating arteriosclerosis wherein the drug contains C-terminal globular domain of adiponectin, adiponecting, or a gene encoding the domain or adiponectin. In contrast, the present invention relates to a method of improving insulin resistance (Claim 1) and a method of treating type-2 diabetes (Claim 3) by administering an effective amount of a specifically defined composition. Thus, the claims of U.S. 10/514,715 and the present application are distinct and this ground of rejection should be withdrawn.

Acknowledgment that this ground of rejection has been withdrawn is requested.

Application Serial No. 10/502,051 Response to Office Action mailed February 6, 2007

Applicants submit that the present application is in condition for allowance. Early notification to this effect is respectfully requested.

Respectfully submitted,

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